

## Message Text

SECRET

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17

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

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O 131100Z SEP 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 8612

S E C R E T JIDDA 5304

EXDIS

FOR SECRETARY OF TREASURY SIMON OR JACK BENNETT  
DEPUTY SECRETARY TREASURY FROM AMBASSADOR

E.O. 11652: GDS

TAGS: EFIN, SA, US

SUBJECT: SAUDI PURCHASE OF SPECIAL TREASURY ISSUES

1. RICHARD DEBS, VICE-PRESIDENT OF FEDERAL RESERVE NEW YORK, DURING HIS VISIT TO JIDDA IN EARLY SPRING THIS YEAR, MADE A STRONG PLEA TO ANWAR ALI, GOVERNOR OF THE SAUDI ARABIAN MONETARY AUTHORITY, FOR SAUDI ARABIA TO BUY TREASURY ISSUED THROUGH THE FEDERAL RESERVE SYSTEM.
2. GERALD PARSKY, ASSISTANT SECRETARY OF TREASURY, NOW IN JIDDA, TELLS ME YOU WOULD PREFER THAT THE SAUDIS BOUGHT DIRECTLY FROM THE TREASURY, AND HE PLANS TO URGE ANWAR ALI AND FINANCE MINISTRY OFFICIALS TO DO THIS.
3. WHILE WE CAN ARGUE (CONVINCINGLY, I THINK) THAT THE SAG SHOULD NOT BUY TREASURY INSTRUMENTS THROUGH PRIVATE BANKS, WE CANNOT RPT NOT GET INTO A POSITION OF PRESENTING TO THE SAUDIS TWO APPARENTLY CONFLICTING OFFICIAL UNITED STATES POSITIONS.
4. ANWAR ALI IS STILL ILL AND MAY BE DELAYING HIS VISIT TO THE STATES. IF HE IS WLLL AND DOES NOT LEAVE IMMEDIATELY ON HIS RECOVERY, PARSKY AND I HOPE TO SEE HIM SUNDAY (SEPTEMBER 15) OR MONDAY. BUT THE PROBLEM

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IN ANY CASE WILL HAVE TO BE RESOLVED SOON.

5. ACTION REQUESTED: AUTHORITY TO TELL THE SAUDIS THAT WE ARE FULLY AWARE OF THE DEBS REQUEST BUT THE UNITED STATES HAS REVIEWED ITS POSITION AND, ON BALANCE, WOULD NOW PREFER THAT THE SAUDIS BOUGHT DIRECTLY FROM TREASURY. IF THIS IS NOT THE U.S. POSITION, THEN TELL ME WHAT IT IS. THERE MAY BE SEVERAL NON-CONFLICTING ALTERNATES WE COULD PRESENT. WHATEVER OUR CURRENT POSITION IS, IT SHOULD ALSO BE PRESENTED TO ALI WHEN (OR IF) HE COMES TO WASHINGTON FOR THE IMF MEETINGS.

6. WHAT I CANNOT RISK WOULD BE TO HAVE THE FED COME BACK TO ALI IN NEW YORK OR IN JIDDA AND TELL HIM THAT PARSKY AND I WERE MISTAKEN; THAT THE FED STILL IS URGING ALL PURCHASES THROUGH ITS FACILITIES.

7. THIS MESSAGE HAS BEEN CLEARED WITH PARSKY.  
AKINS

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT PROCUREMENT, HEALTH, TREASURY BILLS  
**Control Number:** n/a  
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**Draft Date:** 13 SEP 1974  
**Decaption Date:** 28 MAY 2004  
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**Disposition Approved on Date:**  
**Disposition Authority:** kelleyw0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Original Classification:** SECRET  
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